

2009 Sales and Use Tax Changes

New Information

This memo contains sales and use tax rate information for the use of vehicle industry members that remit use tax **directly** to the Department of Motor Vehicles (DMV). Most vehicle industry members (retail sellers) are required to remit sales or use tax on vehicle/vessel sales directly to the Board of Equalization (BOE), and they must continue to do so.

Effective April 1, 2009, the sales and use tax rate will change as shown below:

- The state sales and use tax will increase from 7.25 percent to 8.25 percent.
- Some counties and cities have additional changes to their sales and use tax rates.

The tax rates for the counties and cities with the **additional** sales and use tax changes are shown in the attached chart. For statewide sales and use tax rate information see the Board of Equalization's website at boe.ca.gov/index.htm.

Procedures

Remit sales or use tax based on the new state, county, and city tax rates for:

- Original applications with a date first operated or date fees due date of April 1, 2009, or later.
- Transfer applications with a purchase date of April 1, 2009, or later.

For waiver of city use tax, for a resident or a business residing in an unincorporated (city tax exempt) area of a city with special use tax rates refer to VIN 2008-09, City Use Tax Waivers for Exempt Residents at the following link;
dmv.ca.gov/vehindustry/vin_memos/vin_top.htm.

Background

The statewide one percent sales and use tax increase is part of the budget plan designed to reduce California's \$42 billion deficit. The statewide sales and use tax rate increase will be in place until June 30, 2011, but may be extended until June 30, 2012.

Registered voters of certain counties and cities approved measures in November of 2008 to raise sales and use tax rates in their counties and cities. Decreases also occur, as some of these tax increases are designed by legislation to end after a certain period of time.

Residents and businesses in an unincorporated area of a city with special use tax rates are exempt from the city use tax.

Reference

California Vehicle Code, §§4000 (d), 4300.5, 5600, 9928, 38211

California Revenue and Taxation Code, §§6275, 6291, 6294

VIN 2008–09, City Use Tax Waivers for Exempt Residents

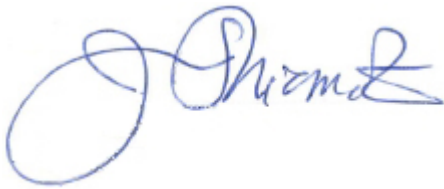
Distribution

Notification that this memo is available online at dmv.ca.gov was made via the E-Mail Alert Service in March 2009 to:

- Vehicle Registration Services

Contact

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.

A handwritten signature in blue ink, appearing to read "J Shiimoto". The signature is stylized with a large loop at the beginning and a long, sweeping underline.

JEAN SHIOMOTO, Deputy Director
Communication Programs Division

Attachment

Sales & Use Tax Increases for 2009, Effective April 1, 2009**COUNTIES**

COUNTY	CURRENT COUNTY RATE	COUNTY RATE INCREASE	STATE RATE INCREASE	NEW COUNTY RATE
Amador	7.25%	0.50%	1.0%	8.75%
Marin	7.75%	0.25%	1.0%	9.0%
Sonoma	7.75%	0.25%	1.0%	9.0%

CITIES

CITY	ZIP CODE	CURRENT CITY RATE	CITY RATE INCREASE	STATE RATE INCREASE	NEW CITY RATE
Arcata	95521	7.25%	0.75%	1.0%	9.0%
Arvin	93203	7.25%	1.0%	1.0%	9.25%
Campbell	95008	8.25%	0.25%	1.0%	9.50%
El Cajon	92019 92020 92021 92090	8.25%	0.50%	1.0%	9.75%
El Monte	91731 91732 91733 91735	8.25%	0.50%	1.0%	9.75%
Eureka	95501 95503	7.25%	0.25%	1.0%	8.50%
Galt	95632	7.75%	0.50%	1.0%	9.25%
La Habra	90631	7.75%	0.50%	1.0%	9.25%
La Mesa	91941 91942	7.75%	0.75%	1.0%	9.50%
Oxnard	93030 93033 93035 93036	7.25%	0.50%	1.0%	8.75%
Pico Rivera	90601 90660	8.25%	1.0%	1.0%	10.25%
Port Hueneme	93041 93042 93043	7.25%	0.50%	1.0%	8.75%
Trinidad	95570	7.25%	0.75%	1.0%	9.0%

City Sales & Use Tax Decrease for 2009, Effective April 1, 2009

CITY	ZIP CODE	CURRENT CITY RATE	CITY RATE DECREASE	STATE RATE INCREASE	NEW CITY RATE
Scotts Valley	95066	8.50%	0.25%	1.0%	9.25%